

State Employee Benefits Committee
Tatnall Building, Room 112
Dover, Delaware 19904

Approved 2/12/2018

The State Employee Benefits Committee met January 22, 2018. The following people were in attendance:

Committee Members:

Saundra Johnson, DHR Secretary, Chair
Jackie Griffith, Designee of CGO
Molly Magarik, Designee of DHSS
Evelyn Nestlerode, Designee of Chief Justice, Administrator of Courts
Ken Simpler, OST
Trinidad Navarro, DOI
Jeff Taschner, DSEA
Keith Warren, Designee of Lt. Governor

Guests:

Brenda Lakeman, Director, Statewide Benefits Office (SBO)-DHR
Faith Rentz, Deputy Director, SBO-DHR
Lisa Porter, SBO-DHR
Andrew Kerber, DOJ
Ivette Antongiorgi, DRSPA
Norma Antongiorgi, DRSPA
Lisa Carmean, City of Milford
Steven Costantino, DHSS
David Craik, Pensions
Cherie Dodge-Biron, DHR
Wayne Emsley, DRSPA
Jacqueline Faulcon, DRSPA
Larry Gabbert, Pensioner
Leighann Hinkle, SBO-DHR
Kim Hoffman, Morris James

Guests (continued):

John King, Retiree
Phyllis King, Retiree Spouse
Melissa Marlin, OMB
Mary Kate McLaughlin, Drinker Biddle
William Oberle, DSTA
Karol Powers-Case, DRSPA
Leslie Ramsey, SBO-DHR
Paula Roy, DCSN
Becky Scarborough, DRSPA
Aaron Schrader, SBO-DHR
George Schreppler, DCSN
Christine Schultz, PGS
Ann Spence, DRSPA

Mike North, Aetna
Katherine Impellizzeri, Aetna
Carrie Schiavo, Delta Dental
Peg Eitl, Highmark
Jennifer Mossman, Highmark
Pam Price, Highmark
Walt Mateja, IBM Watson Health
Kevin Fyock, Willis Towers Watson
Chris Giovannello, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson
Rebecca Warnken, Willis Towers Watson

Introductions/Sign In

Secretary Johnson called the meeting to order at 2:02 p.m.

Approval of Minutes - handout

The Secretary entertained a motion to approve the minutes from the December 11th SEBC meeting. Ms. Magarik made the motion and Mr. Warren seconded the motion. The motion carried.

Director's Report – Brenda Lakeman, Statewide Benefits Office (SBO)

LabCorp has been added as a preferred lab along with Quest for Aetna members effective January 1, 2018. This information is on the SBO website and members can also locate lab sites via DocFind.

Back in September 2017, the committee approved the change to the Medicare retiree prescription EGWP maintenance network, for a limited network with Walgreens as the preferred pharmacy, excluding Rite Aid and CVS. Most independent pharmacies would be preferred. This change is effective March 1, 2018. SBO estimates disruption to under 9,000 out of 23,000 Medicare members. The members who have had maintenance medications filled at a pharmacy which will no longer be preferred will be notified by letters to be sent out first week of February.

Committee member packets include listings from Aetna and Highmark of the hospitals included in the Centers of Excellence as requested at the last SEBC meeting.

November & December 2017 Fund & Equity (F&E) Report – Chris Giovannello, Willis Towers Watson (WTW)

Novembers report shows the Medicare Part D coverage shows a discount payment of \$2.6M, the budget amount is \$5.5M, reflecting the timing difference in the quarterly reporting. Actual payment in November is based on claims incurred during Q2 where the budget amount is based on the actual amount to be incurred during the 4th quarter which will be paid in about six months. Another call-out under Other Expenses is ASO fees of \$4.8M paid in November, with \$2.8M in budget which is due to two Highmark payments being processed in November that includes an October payment. November shows \$7.9M added to the fund. Aetna claims appear below budget in November yet show an uptick in December. Year-to-date shows a substantial surplus bringing the fund balance to \$132.7M.

Securian Group Universal Life Renewal – Brenda Lakeman, Statewide Benefits Office (SBO)

Background history from 2003 to 2015 was provided. Same base benefits continued July 1, 2015 through June 30, 2018 with some changes to portability for those hired after July 1, 2015 and those in the waiver of premium moving to be insured by Securian rather as part of the State active group. The rates were reduced by 4.7% for active and dependent coverage and the ported group rates remained the same. The contract for Securian expires June 30, 2018. Plan experience review was presented. Life and AD&D renewal offer for FY18 and FY19 was shown with a 6.6% increase for all life plan designs with a two year rate guarantee, with an additional dependent child option of \$20,000, currently set at \$10,000. Open Enrollment opportunity for May 2018. Recommendation to adopt the 6.6% across all plan designs beginning July 1, 2018 through June 30, 2020, anticipating a vote at the next meeting.

Centers of Excellence (COE) Follow-Up – handout – Jaclyn Iglesias, WTW

Questions were reviewed that were identified following the SEBC vote on December 11, 2017 to implement the changes effective July 1, 2018 that include adopting a limited set of COE services (Orthopedic and Spine) with Highmark and Aetna and to adopt a plan design that reflects higher copay for members that use non-COE facilities. WTW will support the SBO in administering a RFP to the marketplace with carve-out third party COE vendors. The RFP would be expanded to all areas and the third party capabilities and not limited to orthopedic and spine. Topics for the RFP questionnaire was reviewed along with the RFP timeline. Initiatives led by Highmark and Aetna were reviewed.

FY19 and Beyond – GHIP Planning - WTW

2018 Employee Engagement (additional handout) contains updates on the engagement initiatives led by the SBO as in the myBenefitsMentor tool, health care consumerism course, targeted health plan-specific educational emails to enrolled employees, update contact information and consent to electronic notices, presentations to the HR Roundtable and school district leadership with a call to action for their assistance, outreach and meetings to 19 school districts, and DSEA, DSTA, COAD and AFSME. Initiatives led by Highmark and Aetna were shared.

FY19 Preventative Care Modifications

Statin (cholesterol lowering medications) **coverage** as a preventative medication is required for GHIP to remain in compliance with ACA requirements. ESI presented two options and WTW is recommending Option 1 to waive the copay for all generic statins for members in a certain age range which would apply to both preventive and non-preventive usage as it has a simpler message to GHIP participants and less to manage administratively.

3D Mammography is increasingly being covered by major health plans for screening and diagnostic purposes. WTW recommends following the technical evaluation criteria suggested by Aetna and Highmark for further adoption of coverage of 3D mammography for routine screenings at no cost to participants within the age criteria.

Employer-sponsored clinics – the potential goals and success measurements were presented for discussion. Inquiries made include what is the number of members that do not have a PCP, is there a shortage of PCP's, does having a PCP result in better care, do on-site clinics produce quality care and seems to be more specialty doctors than PCP's available. Emphasized was the need to make it easy for employees to utilize these facilities. Proposed measures of success to expand access to care, improve quality of care and reduce total cost of care was reviewed. Concern was expressed on how the on-site clinics work with any attribution to the PCP, fragmentation of services not connected to the DHIN, how we are capturing patient experience, ensuring clinical data is getting back to either the PCP and questions on how we are recruiting providers and what type of experience they have. SBO to work with Aetna and Highmark in order to have urgent care centers connect with DHIN and have the PCP's receive event notifications. WTW to examine the ratio of PCP

to ER visits <11, possibly due to the utilization of urgent care centers. Interest on other opportunities to explore that may be effective to cover all State employees expressed. A lack of available physicians needs to be reviewed.

Health Savings Account (HSA) Plan – further exploration provided so SEBC can determine if there is a desire to implement. Impact of a HSA plan is highly dependent on enrollment and member engagement. It is known that consumer driven health plans have created better consumers within health care while some people may become non-consumers, choosing not to engage. Interest was expressed in reviewing the research in the area and how they align with our population and does it create a bigger challenge. Is it possible to look at the CDH plan implemented in July 2012 population and determine if any change in their health care suggests this is something to consider or not. Studies done on consumer plans with a HSA can show a \$1,400 deductible versus a \$6,000 deductible and will create significant changes in behavior differences. Ms. Warnken showed where the CDH Gold Plan does meet the IRS requirements, therefore possible to convert to a HSA if interest exists or offer a similar looking plan paired with a HSA. Employee advantages of a HSA were reviewed. The marketplace has been moving to this direction with 73% of all large employers and 63% of public sector and education employers in 2017. Options on how to offer this plan included to new employees that earn a higher income versus impose on all new employees, offer this plan at a low payroll contribution or if employee is hired after a specific year. Education and communication is the biggest administrative piece to this type of plan. The current plan CDH-HRA has a 5% enrollment. Savings to occur if migrate to CDH-HSA. The transition timeline to move from HRA to HSA would require changing to a calendar year to be effective due to taxation issues and FSA also based on a calendar year. Budgetary considerations require a lengthy discussion so not targeting this transition for July 1, 2018. Considerations and next steps were reviewed.

The next meeting is February 12, 2018, not February 5th where SEBC is expected to vote on the FY19 preventive care modifications and the Securian renewal.

Public Comments

None

Motions

None

Other Business

None

Secretary Johnson requested a motion to adjourn the meeting. Ms. Magarik made the motion and Treasurer Simpler seconded the motion. Meeting adjourned at 3:59 pm.

Respectfully submitted,

Lisa Porter
Executive Secretary
Statewide Benefits Office